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Prime Minister's schedule, October 29

NIKKEI (Page 2) (Full)

October 30, 2007

10:12

Met at Kantei with LDP Diet Affairs Committee Chairman Oshima, followed by Deputy Chief Cabinet Secretary Saka.

11:15

Met with Japan Finance Corp. for Small and Medium Enterprises President Yasui, followed by Finance Minister Nukaga, Vice Finance Minister Tsuda and others.

12:00

Held an informal meeting with Cabinet Press Club members

13:00

Met with LDP Secretary General Ibuki.

14:00

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Met with incoming MSDF Yokosuka District Commandant Kenjiro Handa and others, followed by Financial Affairs Agency Director General Sato.

15:00

Attended a meeting of the Central Council to Promote Measures for the Disable People. Afterward, met with Deputy Chief Cabinet Secretary Futahashi, followed by MOFA Foreign Policy Bureau Director

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General Kawa.

16:00

Met with Science and Technology Policy Minister Kishida and others, followed by Declining Birthrate Minister Kamikawa.

17:03

Attended an LDP executive meeting held in the Diet building.

17:50

Met with Foreign Minister Koumura at the Kantei.

18:30

Attended a Council for Science and Technology Policy meeting.

19:13

Met with Chief Cabinet Secretary Machimura.

20:14

Returned to his residence in Nozawa.

2) Last fuel supplied in Indian Ocean

TOKYO SHIMBUN (Page 1) (Full)

October 30, 2007

The Maritime Self-Defense Force will shortly wind up its refueling activities in the Indian Ocean with the Antiterrorism Special Measures Law's upcoming expiry. An MSDF squadron, commanded by Capt. Yoshitaka Ojima, refueled a Pakistani naval destroyer there yesterday afternoon, local time, in the Arabian Sea, north of the Indian Ocean. It was the MSDF's last underway replenishment, based

on the law.

The MSDF started its underway replenishment there in December 2001. Since then, the MSDF has so far conducted 794 fuel supplies at sea. The Antiterrorism Special Measures Law is set to lose its effect at zero hours on Nov. 2. Defense Minister Shigeru Ishiba will order the MSDF before that to withdraw the dispatched squadron.

In July this year, two MSDF vessels left Japan for the Indian Ocean. One is the Tokiwa, a supply ship based at Yokosuka in Kanagawa Prefecture. The other is the Kirisame, a destroyer based at Sasebo in Nagasaki Prefecture, escorting the Tokiwa. The two vessels will return home in about three weeks after they are ordered home.

"I'm relieved," Capt. Ojima said. "We will only carry out our task in a steady way," he added.

The Tokiwa, with its patrol helicopter guarding around, joined the Pakistani destroyer yesterday afternoon. The MSDF supply ship, keeping an interval of about 40 meters, connected a corrugated tube to the Pakistani destroyer and sent light oil for about one hour and 40 minutes while running along.

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The Pakistani destroyer was putting up an English message on its bridge, reading: "FUEL FOR FREEDOM. JDS TOKIWA, THANK YOU." After receiving the fuel, the destroyer lined up about 70 crewmen on its deck, nearly twice as many as those usually on the deck. They shouted banzai and played Japan's national anthem.

According to the Joint Staff Office at the Defense Ministry, the MSDF has so far sent a total of 59 vessels and about 11,000 members to refuel naval vessels from a total of 11 countries, including the United States, Britain, and Pakistan.

3) US, UK concerned about operational efficiency

YOMIURI (Page 2) (Full)
October 30, 2007

Keiichi Honma, reporting from the Maritime Self-Defense Force's supply ship Tokiwa

The Maritime Self-Defense Force will now discontinue its replenishment operation in the Indian Ocean. The United States, Britain, and other countries continuing their maritime interdiction operations (MIO) in the war on terror are increasingly becoming concerned about a possible lowering of efficiency in their operations. Their naval vessels have steadily received fuel from the MSDF. Now, however, the MSDF's pullout could not only affect their operations but could also have negative repercussions on the Pakistani military's operations.

"Thanks to your support, we were able to carry out wonderful tasks at sea."

On the deck of a Pakistani destroyer was a crewman signaling with flags during the Tokiwa's fuel and water supply that lasted for about one hour.

As the MSDF ended its replenishment, about 40 Pakistani sailors came out all at once on the deck to line up. The Pakistani destroyer played Japan's national anthem, Kimigayo, loud enough that it could be heard onboard the Tokiwa. It was an unexpected event that moved the MSDF members aboard the Tokiwa. Some of them were at a loss for words.

The Pakistani Navy's thank-you message praised Japan for its support as the largest supplier of light oil and fresh water. The Pakistani destroyer is a hand-me-down ship from the Royal Navy of Britain. It was commissioned in the 1970s. The destroyer is now too old. Among the MIO countries, Pakistan is the only country that has received water from the MSDF.

Pakistan is the only Islamic country participating in MIO. Its

future course of action concerns the United States, Britain, and other MIO members. According to informed sources, the United States, which wanted Islamic countries to join in, strongly worked on Pakistan. The United States persuaded Pakistan to participate in MIO, telling that country that its navy would receive free fuel from Japan.

"Japan made its task highly successful," said Yoshitaka Ojima, 47, commander of the MSDF's Escort Division 6. Ojima has commanded the MSDF squadron in the Indian Ocean. "We have worked for regional

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stability in an area that is vital to the security of energy resources," Ojima recalled.

According to British naval sources, four or five supply ships from major countries—including Japan, the United States, Britain, and France—were deployed in the waters ranging from the Arabian Sea to the east coast of Africa. However, only Japan and the United States have continuously carried out their fuel supply, the sources said. The MSDF's pullout from the Indian Ocean will reportedly affect 20 PERCENT of MIO there.

On Oct. 24, US Ambassador to Japan Schieffer delivered a speech in Tokyo. In it, he revealed that the amount of fuel provided by Japan was equivalent to 7 PERCENT -20 PERCENT of the fuel used for Operation Enduring Freedom (OEF). The MSDF's withdrawal will greatly affect OEF on the whole.

The Japanese government is concerned about aftereffects, thinking that Japan's international reputation may drop after discontinuing the replenishment operation. "Japan's withdrawal may cause Japan to lose the international community's confidence," a senior official of the Foreign Ministry said.

In particular, Japan's withdrawal will seriously affect its relations with the United States. Prime Minister Fukuda will visit the United States in mid-November to tell the US government that he will try to pass a new antiterror legislative measure. Government officials are increasingly concerned about what is in store for Japan-US relations. "There's no doubt that the United States will be disappointed at Japan as a self-centered country," a senior official of the Defense Ministry said.

4) Moriya says he came to know about underreported fuel amount after leaving Defense Ministry; Held negotiations with US side, but denies involvement in cover-up

NIKKEI (Page 3) (Full)
October 30, 2007

Regarding the Defense Ministry's correction of the amount of fuel the Maritime Self-Defense Force provided to a US oiler from 200,000 gallons to 800,000 gallons, which has resulted in fuel diversion allegations, former Vice Defense Minister Takemasa Moriya yesterday denied his involvement in a cover-up, saying, "I came to know it was 800,000 gallons after leaving (the Defense Ministry)."

Prime Minister Yasuo Fukuda, who was serving as chief cabinet secretary at the time, denied allegations that Japanese oil had been

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diverted for use in the Iraq war based on information that the MSDF provided 200,000 gallons of fuel in May 2003. But it became clear later that the amount was four times that volume, thereby resulting in oil diversion suspicions. It has also come to light that a Maritime Staff Office section chief and others had covered up the error in the amount.

Moriya said: "Receiving a report from the Maritime Staff Office that 200,000 gallons had been provided, I responded to it accordingly." He stressed that he had not been aware of the correct amount being 800,000 gallons back then.

However, Moriya was deeply involved in explaining the fuel amount, as seen from his request to a US Embassy minister that the US

government say things properly so as not to invite any suspicions about the use of (Japanese) oil under the Antiterrorism Special Measures Law.

After Moriya's testimony, Democratic Party of Japan (DPJ or Minshuto) Secretary General Yukio Hatoyama said to reporters: "His replies sounded as if he forgot things back then. It's outrageous." Hatoyama also emphasized that his party would continue pursuing Moriya's accountability.

5) Ruling bloc to make utmost efforts to find common ground in talks of LDP and DPJ leaders on antiterrorism bill

ASAHI (Page 4) (Excerpts)
October 30, 2007

The Liberal Democratic Party (LDP) and the Democratic Party of Japan (DPJ) agreed yesterday to hold party head talks today. The ruling camp has started coordination to have the bill designed to resume the Maritime Self-Defense Force's (MSDF) refueling mission clear the House of Representatives by extending the current Diet session, while the DPJ remains opposed to the bill. Will the two leaders be able to find common ground? With only 10 days left before the Diet is adjourned, the showdown between the ruling and opposition camps has entered a new phase in the Diet, where the opposition camp has a majority in the Upper House.

The LDP leadership is determined to have the bill passed in the Lower House. Based on this premise, the government and the ruling camp have coordinated views to extend the Diet session. But the DPJ has opposed the coalition's extension proposal with the aim of discussing the antiterrorism bill. The main opposition party has also fiercely reacted to the issue of personnel appointments that need Diet approval reported before that. As it stands, the gulf between the two is too wide for one side to make a concession in the party head talks. If the prime minister and Ozawa express their respective views, the talks will reach a stalemate.

6) Prime Minister Fukuda in meeting today to ask DPJ head Ozawa to support new antiterrorism legislation

MAINICHI (Top Play) (Slightly abridged)
October 30, 2007

The ruling Liberal Democratic Party (LDP) and main opposition Democratic Party of Japan (DPJ) agreed yesterday to hold a meeting today between Prime Minister Yasuo Fukuda, president of the LDP, and DPJ President Ichiro Ozawa in the Diet building. The two party heads will likely hold penetrating exchanges on the handling of a new antiterrorism bill, as well as on the question of whether to extend the current Diet session since the schedule for deliberations during the ongoing session is becoming tighter due to the Diet testimony by former Administrative Vice Defense Minister Takemasa Moriya. As the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean is to expire on Nov. 1 under the present Antiterrorism Special Measures Law, Fukuda hopes to reach an agreement with Ozawa in some fashion on Japan's support for antiterrorism operations. A battle between the ruling and opposition camps in the current session will face a crucial stage.

The two party heads will hold a meeting for the first time. The meeting was requested by Fukuda, and Ozawa accepted it. LDP Diet

Affairs Committee Chairman Tadamori Oshima yesterday conveyed Fukuda's request to discuss issues concerning national interests, including the new antiterrorism bill with Ozawa to his DPJ counterpart Kenji Yamaoka.

It is now impossible to enact the new antiterrorism bill without extending the current session, which expires on Nov. 10. The government and ruling coalition, therefore, has targeted at least

passing it through the House of Representatives by extending the session. A senior LDP House of Councillors member said yesterday: "If we don't carry out deliberations on the bill at the Upper House after passing it through the Lower House, the international community will see Japan as having no desire to fight terrorism."

However, Fukuda is regarded as cautious about enacting the legislation with approval of a two-thirds majority by taking a second vote in the Lower House. With his visit to the United States in mid-November approaching, Fukuda intends to gain in the meeting a foothold in resuming antiterrorism support after the present law expires.

7) Speculation rampant about Ozawa's aim behind acceptance of offer for party head talks

ASAHI (Page 4) (Excerpts)
October 30, 2007

In a general meeting held yesterday noon by the Liberal Democratic Party's Tokyo Metropolitan Federation of Chapters, Secretary General Ibuki emphasized: "In our party's views, if there are parts criticized (by the opposition camp), we will have to respond to the criticism. If we find good alternative ideas in the Democratic Party of Japan's (DPJ) plan, we will accept them."

Asked by the prime minister yesterday morning to propose to the DPJ party head talks, Ibuki expressed his expectations that progress will be made in negotiations on changes in the government's antiterrorism bill.

It is inconceivable, however, that DPJ President Ozawa, who has termed the Maritime Self-Defense Force's (MSDF) refueling mission as unconstitutional, will change his mind and support the bill. There is speculation about Ozawa's motives behind his agreement to holding party head talks, with one person predicting that he might try to find common ground by presenting a counterproposal, and another speculating that he might declare that the party will quickly reject the bill in the Upper House.

Some DPJ members, however, take the view that Ozawa's aim is to take the initiative in dissolving the House of Representatives for a snap election. A senior party member said: "In accepting the ruling camp's proposal for party head talks, there should be no other advantage than pressing for dissolving the Lower House." In actuality, Diet Affairs Committee Chairman Hirotaka Akamatsu said: "Since the next House of Representative election might be held earlier than expected, we want you to pick potential candidates quickly."

8) Moriya testifies that a former Defense Agency director general was present at party; Was aware that playing golf at trader's expense was illegal

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YOMIURI (Top play) (Excerpts)
October 30, 2007

Former Administrative Vice Defense Minister Takemasa Moriya in his sworn testimony yesterday at the House of Representatives special committee on antiterrorism, chaired by Takashi Fukaya, revealed that a former Defense Agency director general had been present at a party held by Motonobu Miyazaki, a former managing director of aviation and defense trader Yamada Yoko Corp. Indicating that his having played golf with the former Yamada executive constituted entertainment violating the Self-Defense Forces' code of ethics, Moriya offered an apology and announced his intention to consider returning his retirement allowance. Taking Moriya's testimony as insufficient to shed light on the truth, the opposition bloc is set to continue pursuing him. It might affect Diet deliberations on new antiterrorism legislation.

Regarding lawmakers who were present at the party with Miyazaki, Moriya said: "I believe there were several. There was also a former Defense Agency director general." Although Moriya said that the

meeting was held "last year or the year before last," he refused to name the lawmakers who attended the meeting, saying: "I would like to refrain from revealing the names of lawmakers so as not to cause any trouble for them."

He admitted that as chair of the Defense Ministry's equipment deliberative council, he had been involved in August 2003, shortly after becoming vice minister, in the selection of an engine made by General Electric, for which Yamada Yoko was serving as Japanese agent, for the CX next-generation transport aircraft. He also admitted that when he had received a courtesy call by GE executives at his office last December, Miyazaki was also present. Moriya, however, denied giving any favors to Miyazaki.

About the allegation that in accordance with Moriya's intention, the then Defense Agency decided in 2002 just to reduce the contract amount with Yamada Yoko without punishing it despite its padded bill for the shipment of a chaff/flare system for Maritime Self-Defense Force helicopters, he said, "I did not have authority, and I do not remember it."

About his relationship with Miyazaki, Moriya revealed that (1) he played golf on over 200 occasions over about 11 years, (2) he and his wife received sets of golf clubs on two occasions, and (3) he traveled to Hokkaido and Kyushu to play golf at Miyazaki's expense.

He then said: "I was aware that I was being entertained. I violated the SDF Ethics Law for a long period of time, and I have no excuse for it." However, the ethics code under the law has no stipulation for disciplinary action against retired officers. Moriya indicated that he was considering returning his retirement allowance, saying: "If I were an incumbent, I would naturally be punished. I will determine my response after thinking through the matter."

9) Moriya repeats in Diet, "I don't remember;" Vague testimony coincident with contents of Defense Ministry's interim report

TOKYO SHIMBUN (Page 2) (Excerpts)
October 30, 2007

Former Administrative Vice Defense Minister Takemasa Moriya appeared in the Diet as a sworn witness yesterday. On the alleged cover-up of

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a data error of the amount of fuel provided by the Maritime Self-Defense Force (MSDF) to US tankers, Moriya repeatedly said: "I do not remember." Whether Moriya had been involved in the cover-up scandal was not revealed through his replies.

In May 2003, the US naval commander said the amount of fuel indirectly supplied by the MSDF to a US aircraft carrier was 800,000 gallons, but the then Joint Staff Council chairman announced at a news conference held two days later that the volume was 200,000 gallons. It is suspected that Moriya as Defense Policy Bureau chief had been involved in this case.

Moriya had asked the US Embassy of the purport of the US navy commander's statement and had received a letter of reply from the embassy the following day. Keeping in mind the fact that Moriya had been in a position to learn of the accurate volume of MSDF-supplied fuel through such exchanges with the US Embassy, House of Representatives Antiterrorism Special Committee Chairman Takashi Fukaya said, "You should have promptly taken response measures."

But Moriya replied: "I only traded information (with the US) on whether the provided fuel was used in the Iraq war." He insisted that he had not been aware of the data error in 2003, saying: "I only knew it this year (after leaving the Defense Ministry)."

Even so, since the US naval commander and the Joint Staff Council chairman gave different figures, Moriya naturally should have wondered why. Pointing to this, Democratic Party of Japan member Yorihisa Matsuno said, "It is odd that the defense policy bureau chief was unaware of it."

Asked by opposition party members about exchanges of words in the

government at that time, Moriya just repeated: "I was not aware of it," and "I do not remember."

Moriya's vague testimony is curiously coincident with the contents of an interim report presented by the Defense Ministry to the ruling and opposition camps prior to Moriya's testimony.

10) Meeting of party heads today: Ruling camp hopes for breakthrough in the situation; DPJ to attack until allegations are cleared up

MAINICHI (Page 5) (Excerpt)
October 30, 2007

Following the summoning of former Vice Defense Minister Takemasa Moriya to testify in the Diet on Oct. 29, the Democratic Party of Japan (DPJ or Minshuto), insisting that "suspicions have deepened," is strengthening its attack by such means as asking for more witnesses to be summoned. The aim is block substantive deliberations on the antiterrorism special measures bill and prevent its passage. On the other hand, there is no one in the government and ruling parties with the view that the allegations have been resolved. The thinking is that somehow in the meeting of party heads - Prime Minister Fukuda and DPJ President Ozawa - that a breakthrough in the situation can be found.

11) Opposition demands further testimony

MAINICHI (Page 1) (Full)
October 30, 2007

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The House of Representatives Special Committee on Prevention of Terrorism and Support for Iraq discussed last evening at its directors' meeting future responses. In it, the ruling camp requested the holding on Oct. 31 and Nov. 1 of deliberations on new antiterrorism legislation, while the opposition bloc demanded the summoning of sworn and unsworn witnesses to testify before the Diet. They, however, failed to reach a conclusion.

The opposition called for summoning as sworn witnesses Motonobu Miyazaki, a former executive of the defense equipment trader Yamada Corp. who entertained former Administrative Vice Defense Minister Takemasa Moriya; and Tsutomu Sato, a former Naha Defense Facilities Administration Bureau chief who allegedly had collusive ties with a local company over US bases in Okinawa. The opposition also called for summoning the then Maritime Self-Defense Force's Maritime Staff Office Operations and Plans Division chief, who was responsible for the underreporting of the amount of fuel the MSDF supplied to a US ship, as an unsworn witness.

12) Opposition parties criticize Moriya; DPJ's Hatoyama says Moriya essentially declines to testify

ASAHI (Page 4) (Excerpts)
October 30, 2007

Senior members of opposition parties criticized statements made by former Vice Defense Minister Takemasa Moriya in Diet testimony yesterday.

Democratic Party of Japan (DPJ) Secretary General Yukio Hatoyama told reporters at party headquarters: "He did not tell the truth. Regarding the cover-up of a data error (on the amount of fuel supplied by the Maritime Self-Defense Force to US tankers), he declined to testify in effect, saying that he did not remember. It is necessary to clear up the truth by questioning him further, including summing him to the Diet as a sworn witness again."

Japanese Communist Party Secretary General Tadayoshi Ichida commented in a press conference: "Suspicions have deepened. He admitted that a former Defense Agency director general had been in a dining room with a former executive of Yamada Corp. and Moriya, revealing cozy ties established between the government, the bureaucracy and the business world. At important points, he said he did not remember. Mr. Moriya should be summoned again to the House

of Representatives and also to the House of Councillors."

13) Prime minister sharply criticizes Moriya: "He went too far"

TOKYO SHIMBUN (Page 2) (Full)
October 30, 2007

Prime Minister Yasuo Fukuda sharply criticized former Administrative Vice Defense Minister Takemasa Moriya after Moriya's Diet testimony last night, in which he admitted that he had received excessive entertainment from an interested party. The prime minister said before reporters at his official residence: "He went too far. This is more serious than a question of an ethical code. He acted quite thoughtlessly. He did impermissible things."

Asked about the impact of Moriya's allegations on the ongoing deliberations on the government's antiterrorism bill, the prime minister replied: "This is apparently an unfavorable matter. It is

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necessary to shed light on the truth so that everyone can understand what happened."

14) Japan-North Korea informal talks to resume as early as this week

NIKKEI (Page 2) (Full)
October 30, 2007

Japanese and North Korean working-level officials are now coordinating a plan to resume informal talks within the week, it was learned yesterday. The next round of talks will become a second preparatory meeting between Japan and the North for holding a working-level meeting of the six-party framework. The Japanese government plans to present again its new policy of gradually lifting its sanctions on Pyongyang in tandem with progress on the abduction issue. Attention is focused on how North Korea will respond to Japan's proposal.

The expectation is that Foreign Ministry Asian and Oceanian Affairs Bureau Director-General Kenichiro Sasae and Ambassador of North Korea to Normalization Talks with Japan Song Il Ho will attend the meeting.

Sasae has already conveyed to US Assistant Secretary of State Christopher Hill Tokyo's policy of carrying out informal talks with North Korea as the occasion arises.

In the meeting, the Japanese side will again call on Pyongyang to at once repatriate all Japanese abductees. Sasae will also tell Song that Japan will remove some sanction measures if there is progress on the abduction issue, such as repatriation of Japanese abductees.

15) Japan to send experts to North Korea

NIKKEI (Page 2) (Full)
October 30, 2007

Administrative Vice Minister Shotaro Yachi stated yesterday at a press briefing in response to a question regarding whether Japan would provide funds to push forward with North Korea's disablement of its nuclear facilities agreed on in the six-party talks and whether it would send experts to Pyongyang: "Japan is interested in taking part in nuclear disablement. We will consider whether it is appropriate for Japan to participate in it, including on the financial front."

SCHIEFFER